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FINAL REPORT
STUDY ON THE IMPLEMENTATION
OF
PRIVATE WOODLOT FOREST MANAGEMENT
IN NEW BRUNSWICK

Job No. 1184

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1. INTRODUCTION

1.1 Purpose

The purpose of this study, as stated in the terms of reference is to "... identify and define problems with the present programs and prepare concrete recommendations for the development and implementation (delivery) of subsequent New Brunswick private woodlot programs."

1.2 Methodology

This study was carried out in six major steps. The first step was to conduct interviews with key individuals involved with the implementation and delivery of the private woodlot components of the Forest Renewal Agreement (FRA). The purpose of these interviews was to identify issues of concern and obtain different views of the implementation and delivery of the programs. Individuals from the federal (Canadian Forestry Service) and provincial (The Department of Natural Resources and Energy) governments, and the New Brunswick Federation of Woodlot Owners were interviewed. A complete listing of individuals interviewed is included in Appendix A.

The second step, which was concurrent to the informant interview process, was an analysis of private woodlot programs in New Brunswick. This analysis included an examination of Project 1.2.1, Project 1.2.2 and Program 5 in the FRA with respect to the activities funded, delivery and monitoring of the programs.

1.2 (Cont'd)

The third step in the study was to examine programs for private woodlots in other provinces and compare these programs to those in New Brunswick. This included examining the levels of funding, types of programs available, regional differences and delivery.

At this point in the study, interviews were held with representatives of each of the seven marketing boards and/or owner organizations. Group interviews in each region generally included the Manager, Silviculture manager and other interested board members.

A survey of woodlot owners who had received funding under the programs was the fifth step in the study. A random sample of 36 woodlot owners were interviewed.

The sixth and final step in the study was to analyze issues, draw conclusions and formulate recommendations. This was achieved during a planning session which involved the consultants, interviewer and technical advisor.

The remainder of this report is organized as follows:

Chapter 2 contains an executive summary of this report;
Chapter 3 describes the programs for private woodlots in New Brunswick;
Chapter 4 compares private woodlot programs in other provinces;
Chapter 5 discusses the survey results;
Chapter 6 contains a discussion of issues;
Chapter 7 presents our recommendations.

2. EXECUTIVE SUMMARY

The report provides background information about the Forest Renewal Agreement and about the differences between the New Brunswick Agreement and similar efforts in other provinces.

Most provinces with forestry agreements have programs for private woodlots as well as large corporate freeholds. New Brunswick tends to spend relatively less proportionately on private woodlots than most other provinces do, with the exception of Quebec, where a large share of funding is available to private woodlots and group ventures, the difference is not a great one.

Most of the programs offered in New Brunswick are found in other provinces. On the other hand, two features of programs in other provinces are not included in the New Brunswick Agreement, notably:

- The integration of public and private lands into parcels of sufficient size to exploit efficiently
- Boundary line maintenance.

A recent addition in New Brunswick is the regional planning process. This process involves owners' associations or marketing boards in each marketing board region developing regional plans. The process is just beginning and has not been started in all regions. However, this process will have several impacts on Agreements in the future, as it is anticipated that the focus will shift from a province-wide focus to regional priority setting, and using regional plans as a basis for program design.

2. (Cont'd)

A telephone survey of 36 woodlot owners who had received assistance (24 in softwood programs and 12 in hardwood) revealed the following;

- 47% were aged 50 or older
- 17% earned 50% or more of their total annual income from their woodlot
- Most respondents had been involved in more than one project
- Only 8% of the respondents were aware of the Agreement - the majority believed the funds came from marketing board check-off fees or DNRE
- The main motivation for participating in the plan was to improve the economic return from the woodlot. The next most frequent motivation was to improve the aesthetics of the property and/or improve the woodlot for an inheritance
- Most respondents (83%) were satisfied with the technical advice received
- Half of all respondents had done the silviculture work themselves. North Shore and Southern New Brunswick regions have a much higher propensity to do their own work than other regions
- Of the participants in Project 1.2, only 16% had actually contributed a share of the cost in cash. There were 19% who made no financial commitment. The remainder had done work themselves as their contribution to the project.
- Most respondents agreed with the concept of paying a share of the costs - only 16% said they would not participate at a rate even higher than the present level.

2. (Cont'd)

The report analyzes thirteen issues, grouped under the headings of:

- Rationale
- Impacts and effects
- Objectives achievement
- Alternatives.

RATIONALE

Issue 1:

Funding of activities which do not have a direct effect on softwood supply.

We found that, in general, woodlot owners' objectives are not inconsistent with those of the Agreement. Owners would like to see more types of treatments covered, more provision for treatments related to wildlife and recreation, and more hardwood programs. Governments argue, on the other hand, that with limited resources, priority must be placed where the returns will be the greatest.

Issue 2:

Comprehensive forest management.

The way the Agreement has operated has not encouraged comprehensive forest management:

- Woodlot plans are only done to the extent necessary to provide a basis for treatments
- Owners are treated on a first-come, first-served basis rather than developing approaches to optimize the wood supply impact
- There is no requirement to ensure that owners carry out follow-up treatments

2. (Cont'd)

Issue 3:

The length of the Agreement.

Five years is too short a time horizon for a forest management plan. Longer commitments are needed to encourage more owners to carry out work, and to have some assurance that assistance will be available when the time arrives to do follow-up treatments.

IMPACTS AND EFFECTS

Issue 4:

Program delivery.

The current system of program delivery places most of the responsibility for resource allocation and for project supervision at the regional level. In some cases, delivery is carried out by regional marketing boards; in others, woodlot owners' associations deliver the programs.

Administrative procedures vary from region to region insofar as how the owner's contribution is collected, how monitoring is done, the overall level of funding available, and the rules for funding maximums by project.

The regional associations are caught in the middle of a dilemma - on the one hand, they want to promote and encourage owners to undertake work and apply for assistance - on the other hand, they have to turn down applicants when funding runs out.

2. (Cont'd)

This decentralized delivery system has some other problems as well:

- Owners do not give proper credit to the role of governments in funding woodlot improvements
- Costs are probably higher than would be the case if some of the administrative functions were centralized
- Frequent monitoring of projects is necessary to ensure that the work is being carried out properly.

Issue 5:

Opportunities for private sector involvement.

There have not been as many opportunities for private sector involvement in silviculture work and forestry consulting as had been anticipated. The main reasons are:

- Low rates of payment for some treatments
- The small woodlots are difficult for private crews to service efficiently
- There is competition from marketing board crews in some regions
- Funds available for planning are too low to enable enough woodlot plans to be prepared.

Issue 6:

Herbicide spraying.

No one in the province is prepared to undertake herbicide spraying on private woodlots. The problems of liability are discouraging contractors from undertaking this work.

2. (Cont'd)

Some compromise solution needs to be found, or the investments made in reforestation will come to naught unless spraying can be carried out as needed.

OBJECTIVES

Issue 7:

Agreement objectives.

Generally speaking, the objectives of the Agreement in terms of number of acres treated are being met. The weakness now is hardwood activity, which is below budget. However, it was late in stating due to negotiations in the early stages of the Agreement, and in fact the programs were changed to provide more hardwood activity. This program should come close to being on target by the end of the Agreement.

The other area which is falling short of its objective is technology transfer. It has been suggested that the program be opened up to allow contractors to bring equipment to the province for pilot tests.

Issue 8:

Technical criteria.

The technical criteria have been fairly rigidly applied during the Agreement, although there are examples of situations where

2. (Cont'd)

criteria were changed when the current approach seemed unsuited to the needs. The main problems with the present criteria system are:

. Inability to take regional differences into account
. The need for three-way consensus on special projects
. More flexibility is needed in the species which can be planted in reforestation projects.

ALTERNATIVES

Issue 9:

Program modifications for the next Agreement.

The main program changes needed in the next Agreement include the following:

. A more flexible approach to intermediate treatments
. More emphasis on the regional plans as the basic strategy for intervention at each region
. Better management planning for the woodlot owner
. More experimental research on sample plots.

Issue 10:

Coordination and communication.

Coordination is generally quite good. However, at the regional level, many woodlot owners do not know where to go for help, and if they get the wrong agency, they may or may not be referred to the appropriate group. There is a need, at the regional level, to simplify the communications for the woodlot owner.

2. (Cont'd)

There is a very strong need for good promotional materials such as brochures and advertising.

Issue 11:

A separate Agreement for private woodlots.

In the present Agreement, private woodlot programs are mixed with other components of the Agreement. We believe there is a need for all these programs to be grouped under a single Agreement or at least be a separate and distinct part of a broad forestry Agreement. This will make a clear statement about the role of the private woodlot and its distinctly different status from the large corporations, crown lands and government.

Issue 12:

The system for establishing rates.

Rates are based on judgments by the criteria committee about the costs of carrying out various treatments. Some experimental work has begun to more objectively assess the rates through time and motion studies, but this is a lengthy process and it would take years to have objective rates for all major treatments.

There is only one rate established for each treatment and this rate applies whether the treatment is carried out by a private contractor, marketing board crew or the individual owner.

There is a need for a structure which recognizes the different cost and profit structure of each.

2. (Cont'd)

Issue 13:

Financial commitments by woodlot owners.

There is general acceptance in principle of having owners make a financial commitment to their project.

This is not done in any standardized way at present - some regions are very careful to collect the owner share before paying a contractor, in other areas the arrangement is rather loose.

This is an area that needs to be standardized across the province in terms of application and the process used for collecting the owner's share of funding.

RECOMMENDATIONS

Our recommendations are grouped under four headings:

- Program design
- Program delivery
- New clients needed
- Administrative issues

PROGRAM DESIGN

Recommendation 1:

Private woodlots should be recognized in a separate and distinct section of the next Agreement.

2. (Cont'd)

Recommendation 2:

A "Memorandum of Understanding for Private Woodlot Management" should be included with the Agreement showing government commitment in principle to the long-term development of private woodlots.

PROGRAM DELIVERY

Recommendation 3:

The seven regional organizations now delivering the programs should become the single point of entry in each region for any woodlot owner seeking assistance under any part of the Agreement.

Recommendation 4:

Centralize the project approval and payment function.

Recommendation 5:

The private woodlot program should have its own promotional brochure with a common application form.

Recommendation 6:

The Agreement should be administered to maximize opportunities for private sector involvement.

2. (Cont'd)

NEW ELEMENTS NEEDED

Recommendation 7:

A management plan should be required for every woodlot before any silvicultural work is undertaken.

Recommendation 8:

More funding should be provided in the next Agreement for planning at the individual woodlot level.

Recommendation 9:

Tree marking for unevenaged management should be considered for inclusion in the next Agreement.

ADMINISTRATIVE ISSUES

Recommendation 10:

All woodlot owners should pay a proportion of the total treatment costs.

Recommendation 11:

A three tiered rate structure for silvicultural activities should be established.

Recommendation 12:

A more objective system of establishing base rates should be implemented.

2. (Cont'd)

Recommendation 13:

A program should be developed to train foresters to prepare management plans for private woodlots.

Recommendation 14:

A task force should be established to resolve the herbicide liability issue.

3. NEW BRUNSWICK PRIVATE WOODLOT PROGRAMS

3.1 Programs for Private Woodlots

The current Forest Renewal Agreement between Canada and New Brunswick offers two programs specifically aimed at improving timber production on private lands. Program 1 is divided between large freehold lands (greater than 4000 ha) and small freehold lands (greater than/equal to 10 ha and less than 4000 ha), commonly referred to as woodlots. The woodlot component is further broken down into projects 1.2.1 (softwoods) and 1.2.2 (hardwoods). Program 5 is divided into four subprograms. Exhibits 1 and 2 illustrate the breakdown of each program into component projects.

Of the total $77.4 million budgeted under the Agreement, roughly 13% is budgeted for Project 1.2 and nearly 4% for Program 5, representing a total of $12.9 million for woodlot programs. Project 1.2 is wholly funded by Canada, while Program 5 is cost-shared, with the Province funding 80% of the total.

3.1.1 Project 1.2.1

This project provides assistance for softwood silviculture. Under the reforestation activities come various forms of site preparation (chemical, mechanical and manual), planting, subsidized planting stock, conifer release, grass and shrub control and shelterwood cutting. Under the stand improvement category are chemical and mechanical release of conifers, thinning (precommercial,

Exhibit 1. Programs Delivered by Marketing Boards

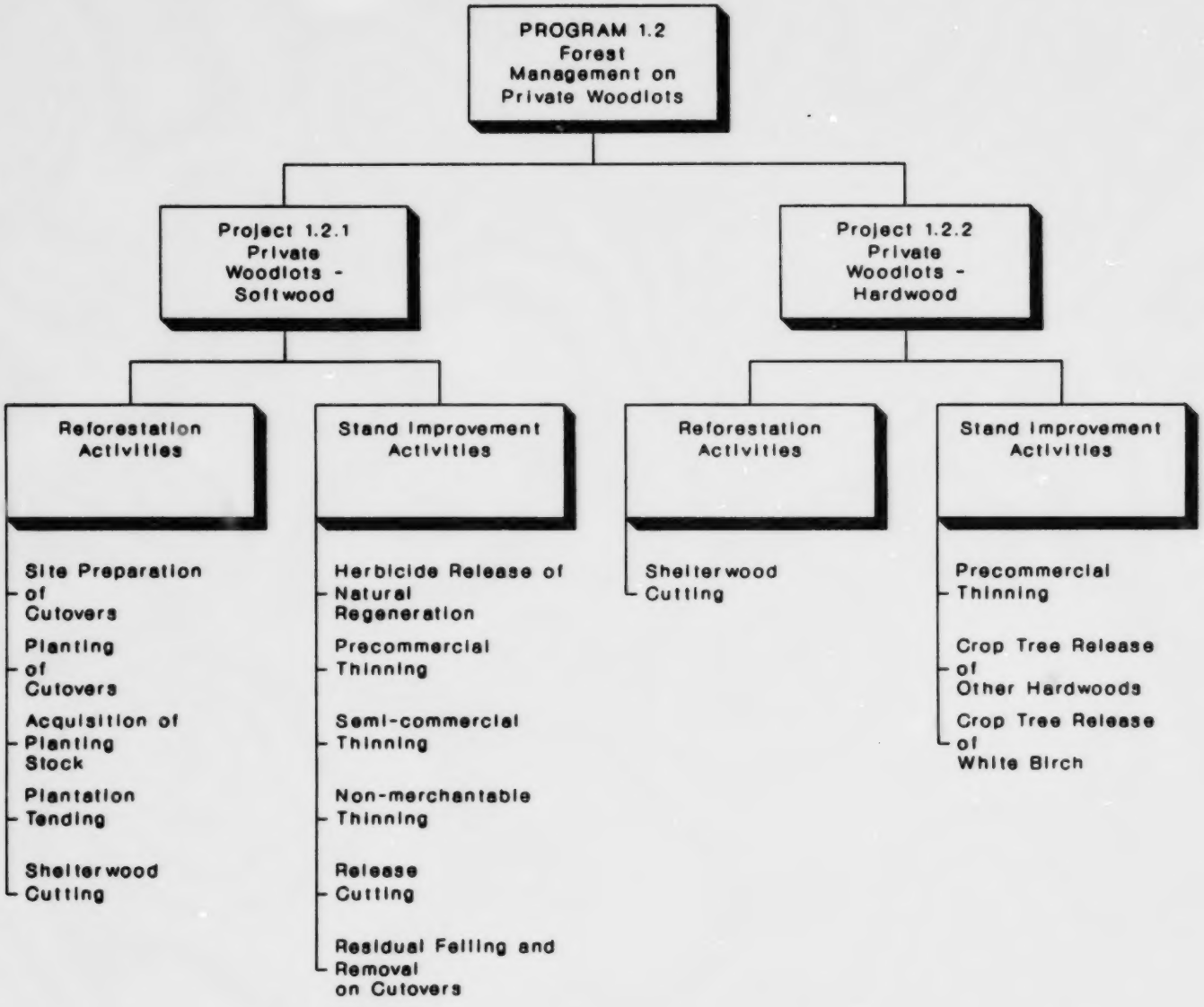
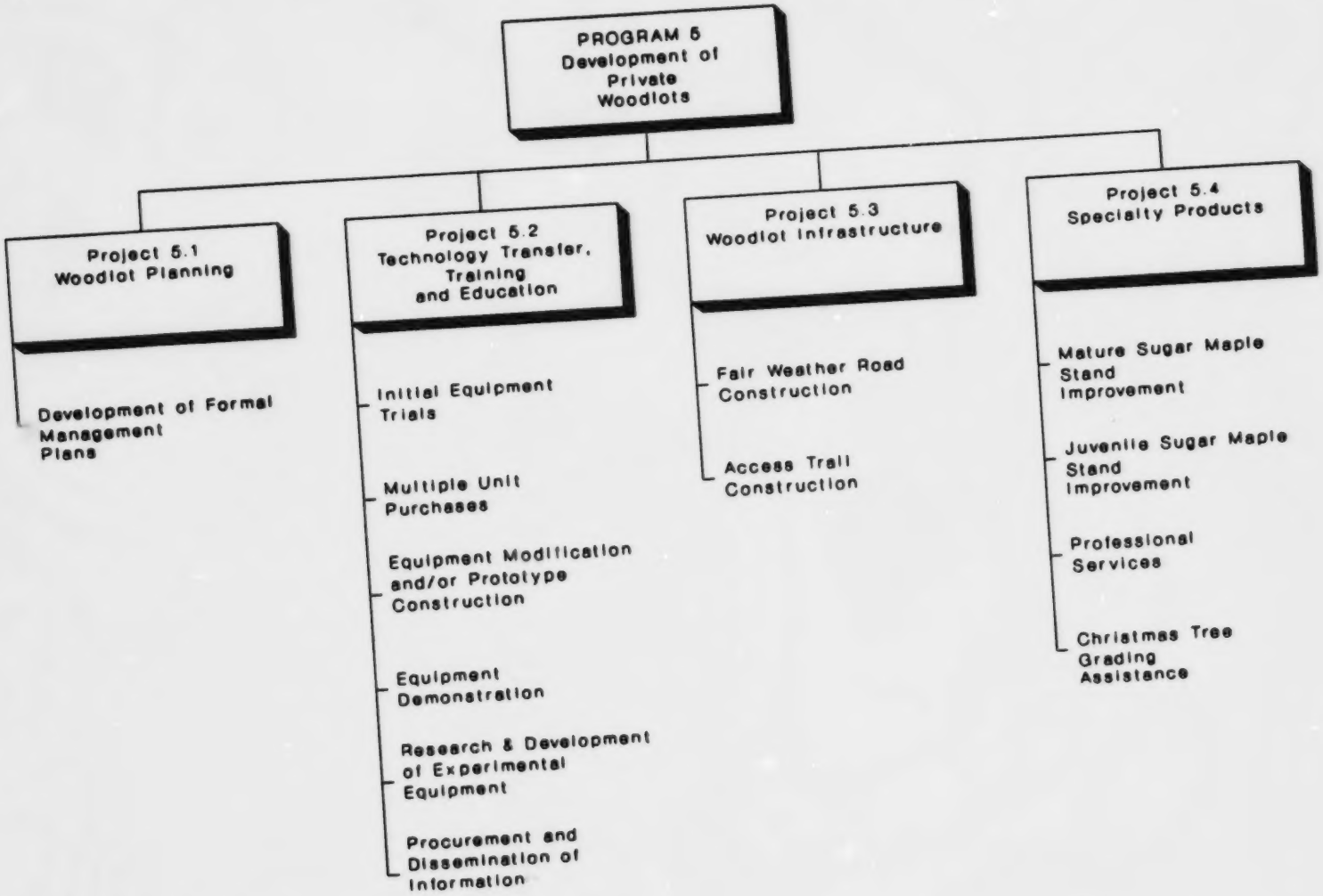


Exhibit 2. Programs Delivered by DNRE



3.1.1 (Cont'd)

semi-commercial and non-merchantable) and felling and or removal of residual hardwoods on cutovers. The total budget for this project is $9.5 million over five years.

3.1.2 Project 1.2.2

This project provides assistance for hardwood silviculture. Activities include shelterwood cutting, precommercial thinning and crop tree release of white birch and other valuable hardwood species. The total budget for this project is $625,000 over five years.

3.1.3 Project 5.1

Under this project, woodlot owners may receive financial assistance to have a management plan or management recommendations drawn up for their properties by qualified foresters or technicians. The project provides funds for forms and maps, support materials and temporary labour (if needed in order to meet demand). Except for the purchase of stereo photo coverage by the applicant, the cost of management planning is completely paid for by the Agreement. A total of $200,000 is budgeted for this project over the five-year life of the Agreement.

3.1.4 Project 5.2

This project provides funding for technology transfer, training and education. Specifically, it funds the adaptation or development of new equipment

3.1.4 (Cont'd)

to be used on woodlots, the training of personnel on the use of new equipment and education of woodlot owners in state of the art management and silviculture techniques. Often these objectives are met through short courses and equipment demonstrations. Subsidies vary between 30% and 80% depending on the risk to the applicant and potential number of users of the technology. The total budget for Project 5.2 is $550,000 over five years.

3.1.5 Project 5.3

Woodlot owners who have shown the need for improved road or trail access to their woodlots qualify for assistance under this program. Specifically, the project helps defray the cost of building roads or trails to provide access for silvicultural activities. Owners are eligible for subsidies of 80 cents per metre of road built to standard ($1250 maximum) or 25 cents per metre of trail (maximum $570). During the five-year Agreement, $1.3 million is budgeted for woodlot infrastructure activities.

3.1.6 Project 5.4

This project provides assistance to woodlot owners who produce sugar maple products. Assistance includes professional services (soil and foliar analyses and software), sugar maple stand development and tending (spacing and thinning) of juvenile or mature stands which have a demonstrated potential for sugar production. Operators of a

3.1.6 (Cont'd)

maple sugar bush are eligible to have maple stands thinned to improve operations. A subsidy of $505 per hectare treated to specifications is available. A maximum of 20 hectares (15 hectares in Region 5) per year per applicant may qualify for subsidy. This project also provides assistance to the Maritime Lumber Bureau for the administration of the New Brunswick Christmas Tree Grade System. The Christmas tree grading system and the professional services are completely subsidized. The budget for this project is $825,000 over five years.

3.2 Delivery and Monitoring of Programs

3.2.1 Administration of the Programs

A total of $2.0 million has been set aside from the total funding to provide for administration of the programs.

3.2.2 Program 1.2

Although the activities under Program 1.2 are directly funded by the Government of Canada through the Canadian Forestry Service, (CFS), the program is actually delivered by the New Brunswick Federation of Woodlot Owners through regional marketing boards and woodlot owners' associations. The Federation distributes money to individual marketing board regions to operate the programs. In four regions, the programs are delivered by woodlot owners' associations and a Co-op (North Shore, York-Sunbury-Charlotte, Carleton-Victoria and Southern New Brunswick). The marketing board delivers the

3.2.2 (Cont'd)

programs in the Madawaska region. In the other two regions, programs are delivered through a combination of the marketing board and the Woodlot Owners Association (Northumberland and Southeastern New Brunswick).

Woodlot owners contact the silvicultural manager in the marketing board region or the CFS directly to propose a silviculture project under the subsidy program. The silvicultural manager or his or her designate then visits the woodlot to see if the proposal has merit and meets the funding criteria. These criteria include the size of the treatment area (for reforestation), species, stocking and stand density and state of the forest. All treatments have minimum standards which must be met to qualify for funding.

If the stand meets the requirements, the landowner will formally apply for assistance. Depending on the region and the nature of the work to be done, landowners may have the work done right away or may have to wait up to two years before the work can be done. The landowner has the option of hiring a contractor to do the work or do the work himself, so long as the treatment specifications are met. In four marketing board regions, the marketing board or woodlot owners association has a silviculture crew who may also do the work. In many cases, the silviculture manager will prepare the applications and arrange for the work to be done on the owner's behalf.

3.2.2 (Cont'd)

claims have been paid before CFS inspections are carried out. If the forestry officer deems work to be unsatisfactory, he informs the silviculture manager in the region. Together they visit the site and determine if the problem(s) can be corrected. If so, the silviculture manager must make arrangements for the necessary work to be done. In all cases, the CFS forestry officer submits monthly reports with all projects monitored and whether they were satisfactory or not. A copy of this report is sent to the regional delivery organization.

3.2.3 Program 5

Program 5 is delivered through the Department of Natural Resources and Energy (DNRE), Forest Extension Service (FES). Woodlot owners submit proposals for assistance to DNRE regional offices.

Extension personnel will visit the woodlot to determine the suitability of the property for the intended treatment. All activities under Program 5 must meet technical criteria: roads and trails must meet minimum standards set out in the Agreement to qualify and maple stands must have a demonstrated potential for maple sugar production. If approval is given, the landowner must make arrangements to do the work himself or to hire a contractor. Once the work is completed, it is inspected by the FES to ensure that it meets the required standards. If the work is satisfactory, the landowner is authorized to submit receipts to DNRE for reimbursement.

3.2.3 (Cont'd)

Subsidies are fixed rates based on the amount of work carried out. For example, roads are subsidized at a rate of $0.80 per metre, regardless of the total cost to the landowner. There may be individual situations where the subsidy is increased to reflect the physical condition of the property (e.g., boggy land) under Program 5 are variable, depending on the work required to meet specification and the landowner's ability to keep costs low.

Program 5 is monitored by DNRE in conjunction with CFS. All inspections are carried out by a DNRE Extension Officer. A sample of approximately 10% are also inspected by a CFS forestry officer.

4. COMPARISONS TO PRIVATE WOODLOT PROGRAMS IN OTHER PROVINCES

4.1 Levels of Funding for Private Woodlot Programs

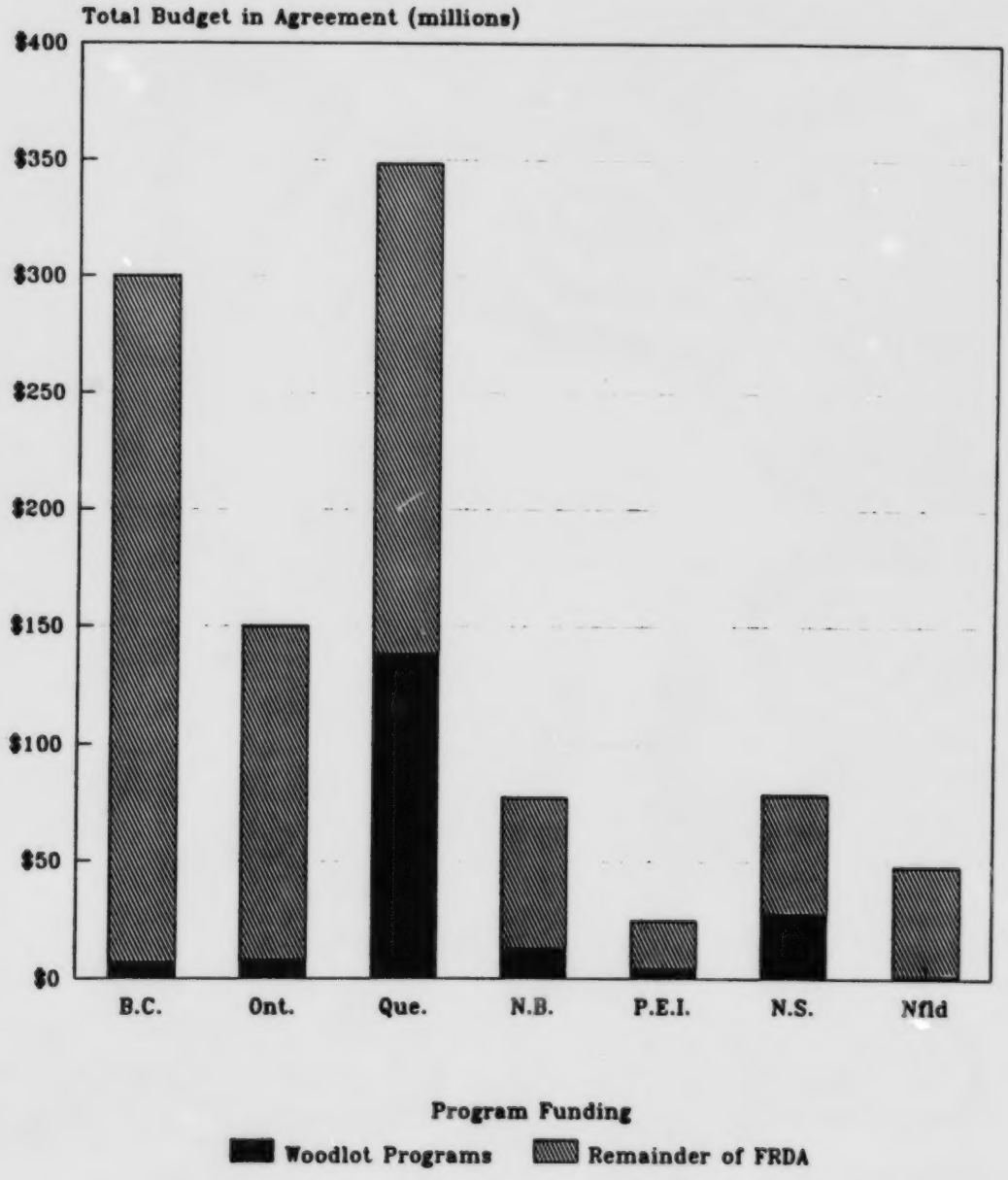
Comprehensive programs for private woodlot owners are available in seven provinces. Only in the prairie provinces, where the number of woodlot owners is small, are there no woodlot programs. The level of funding for woodlot programs is largely proportional to the contribution private lands make to total industrial wood supply. However, in British Columbia where private woodlots account for a small portion of the allowable cut, there is substantial funding available to woodlot owners. Exhibit 3 illustrates the level of funding for woodlot programs under the various Forest Resource Development Agreements. Exhibit 4 shows the relative magnitude the woodlot resource has in terms of productive forest land and total funding allocated to private woodlands.

4.2 Types of Programs Available to Private Woodlot Owners

New Brunswick woodlot programs are quite similar to those available elswhere in Canada. Exhibit 5, which follows, lists several broad categories of incentives and activities, and the provinces in which they are available. (A question mark means that the activity was not detailed in the available program description; such activities may or may not be funded.)

Although none of the provinces has programs geared toward non-consumptive uses of private forest such as recreation and aesthetics, there is a broad range of incentives and

Exhibit 3. Funding of Woodlot Programs Under Current Forest Resources Development Agreements



Source: various.

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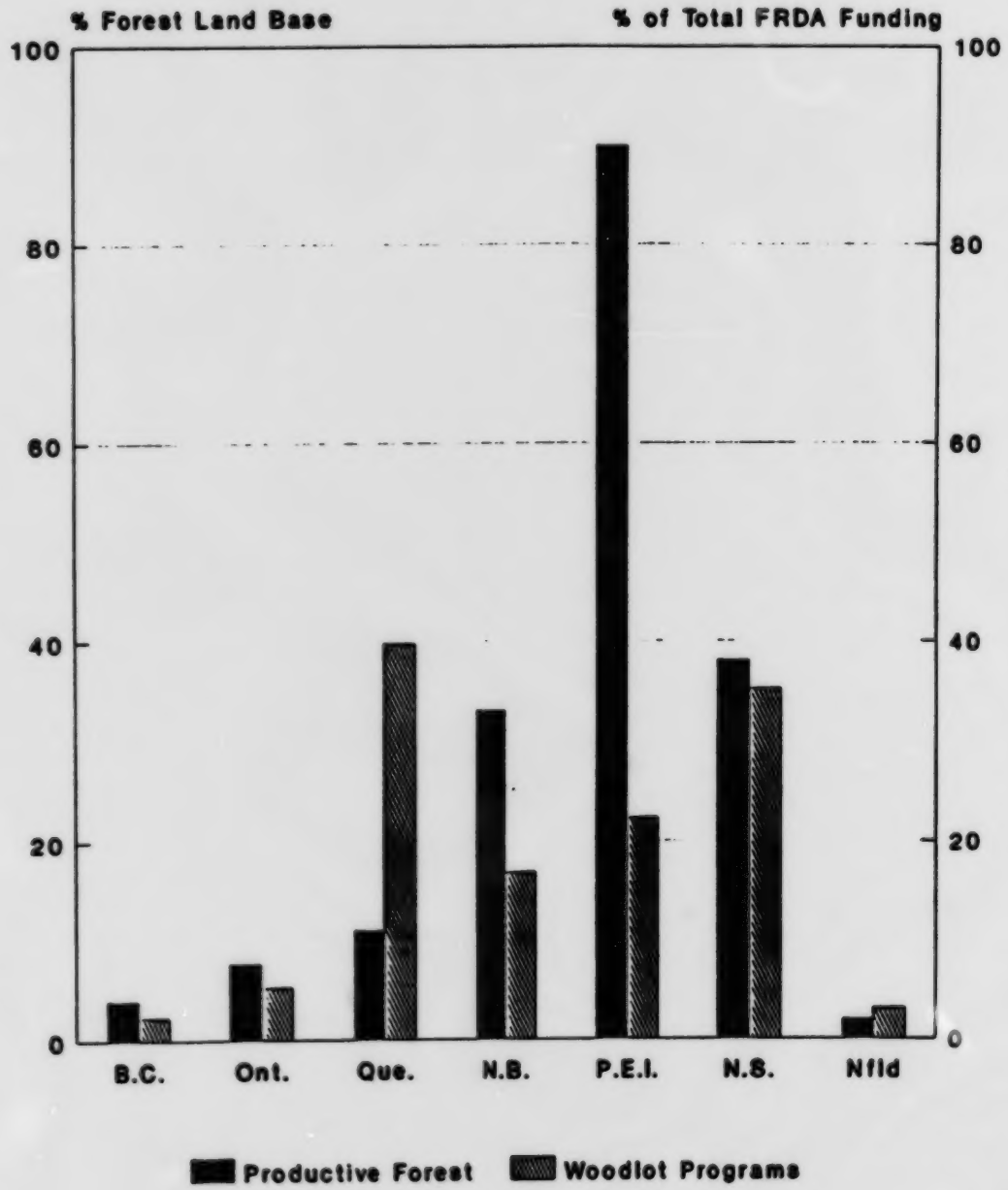
Exhibit 4. Relative Magnitude of Private Woodlots to Forest Land Base and Total Level of FRDA Funding



Source: various.

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4.2 (Cont'd)

activities available to woodlot owners across Canada. These activities are broadly defined in nine categories in Exhibit 5. The first category includes subsidized silvicultural programs in which woodlot owners receive financial assistance to undertake silvicultural activities. Silviculture includes a wide range of activities which is discussed further in the next section.

The second broad category, integration of private and public lands, refers to the ability of the woodlot owner to manage public lands adjacent to his or her woodlot which results in attaining economies of scale. This is not available in New Brunswick, although Nova Scotia, Quebec and British Columbia have integration programs.

The third category, purchase or loans of special equipment, provides financial assistance to the woodlot owner for the purchase of silvicultural equipment or the ability to borrow specialized equipment at reduced rates. Owners in Atlantic Canada can access funding from the Atlantic Canada Opportunities Agency (ACOA) for certain forest exploitation projects. Under ACOA, woodlot owners and contractors can receive assistance for purchases of skidders and other equipment.

Technical assistance includes advice and recommendations to the woodlot owner from foresters or technicians concerning the types of activities that should be undertaken to improve the woodlot. Most provinces offer this assistance.

Exhibit 5. Programs and Incentives Available to Canadian Woodlot Owners

PROGRAM or INCENTIVE	B.C	Ont	Que	N.B.	N.S.	P.E.I.	Nfld & Lab.
SUBSIDIZED SILVICULTURE	Y	Y	Y	Y	Y	Y	Y
INTEGRATION OF PRIVATE AND PUBLIC LANDS	Y	N	Y	N	Y	N	N
PURCHASE OR LOANS OF SPECIAL EQUIPMENT	N	N	Y	Y	Y	Y	N
TECHNICAL ASSISTANCE	N	Y	Y	Y	Y	Y	Y
FREE MANAGERIAL SERVICES	N	Y	N	N	N	N	N
EDUCATION AND PUBLIC INFORMATION	Y	Y	Y	Y	Y	Y	Y
LOW COST LOANS FOR FORESTRY ACTIVITIES	N	N	Y	N	N	N	N
PROTECTION FROM INSECT AND FIRE DAMAGE	?	?	Y	Y	Y	Y	Y
TAXATION INCENTIVES SPECIFIC TO WOODLOT MANAGEMENT	N	Y	Y	N	N	N	N

Source: various.

4.2 (Cont'd)

The next category, Managerial Services, relates specifically to a program in Ontario where the Ministry of Natural Resources will manage the woodlot for the woodlot owner.

The sixth category, education and public information, provides for public awareness programs which may include preparation of brochures, posters, films, slide presentations, media coverage and a wide range of educational seminars. All provinces have similar programs in their Agreements.

Low cost loans are available to woodlot owners in Quebec in the form of low interest loans to undertake forestry projects such as purchasing equipment or additional forest land. This is the only province with such a program. As previously mentioned, woodlot owners in Atlantic Canada may qualify to receive financial assistance from ACOA (except land purchase).

The eighth category, protection from insect and fire damage, refers to assistance to the woodlot owner for the supression of fires and spraying the woodlot for insect control (i.e., spruce budworm). Most provinces offer some assistance to build fire roads and carry out spraying of reforested land.

Finally, in two provinces, Ontario and Quebec, there are reduced municipal taxes for woodlot owners. To be considered a bona fide woodlot owner, the owner must meet specific criteria set out by each region (i.e., woodlot owner is currently managing the woodlot).

4.3 Regional Differences in Private Woodlot Programs

Quebec has developed the most innovative programs for woodlot owners. Free seedlings are available to landowners with more than 0.4 ha of land that requires reforestation. The forestry credit program provides medium and long term loans for managed forests (i.e., woodlots for which there is an official management plan). Planting machines are loaned to landowners who have more than 5000 seedlings to plant. Fire control (detection and suppression) is completely subsidized for woodlots less than 810 ha, and 50% subsidized for larger holdings. Managed forest lands qualify for up to 70% reductions in municipal and education taxes. However, to take advantage of any programs beyond the free seedlings and management advice, one needs to belong to a group venture.

Quebec has recently embarked, as has New Brunswick, on a regional planning process for woodlots. Each region will develop his own strategy based on its specific needs and access programs as required.

Ontario has three unique programs aimed at private woodlot owners. Provincial nurseries will supply seedlings at a cost of $10 + $25 per 1000 seedlings to landowners with more than 2 ha of land to plant. The province provides a tree marking service and forest management advice to woodlot owners.

Under the Woodlands Improvement Program, the province will develop a work plan, estimate costs for treatments and provide or pay for such treatments. In return, the

4.3 (Cont'd)

landowner purchases seedlings and must commit the land to the Agreement for 15 years. A further benefit is that WIA lands automatically qualify for up to a 50% reduction in municipal taxes.

The programs in British Columbia and Atlantic Canada, where most of the funding is provided by the federal government, are quite similar. The private woodlands program in B.C. is aimed at timber production only and specifically excludes Christmas trees, roading and surveys, nurseries and fencing activities from its Private Forest Lands Program. However, woodlot infrastructure is not funded in B.C. as it is in the Maritimes. Conversely, stand fertilization is funded in B.C. but is not funded in Atlantic Canada. Exhibit 6 details what activities qualify for funding in each province.

4.4 Program Delivery

There are many differences among the provinces in how the woodlot programs are delivered. In British Columbia, and Newfoundland, the woodlot programs are administered solely by the Canadian Forestry Service, whereas in Ontario[1] they are delivered by the Ministry of Natural Resources and in Prince Edward Island by the Department of Forestry and Energy. In Quebec, woodlot programs are delivered through the marketing boards and the group ventures. Until recently, woodlot owners had to be members of a group

[1]Under the current FRDA Agreement, funding is available for the development of local woodlot owner associations. The intent is to reduce administrative costs by having the associations take over woodlot program delivery in the future. In the meantime, most programs are still handled by the province.

Exhibit 6. Activities Funded Under Forest Renewel Agreements

FINANCIAL ASSISTANCE FOR FOREST MANAGEMENT ACTIVITIES	B.C.	Ont.	Que.	N.B.	N.S.	P.E.I.	Nfld & Lab.
TIMBER PRODUCTION - SOFTWOODS							
PLANTING OF CUTOVERS	Y	Y	Y	Y	Y	Y	Y
PLANTATION TENDING	Y	Y	Y	Y	Y	Y	Y
BACKLOG REFORESTATION	Y	?	?	Y	?	Y	Y
SITE PREPARATION	Y	Y	Y	Y	Y	Y	Y
SITE REHABILITATION / STAND CONVERSION	Y	?	?	Y	Y	Y	N
HERBICIDE RELEASE OF NATURAL REGENERATION	Y	?	?	Y	Y	Y	N
PRECOMMERCIAL THINNING & JUVENILE SPACING	Y	Y	Y	Y	Y	Y	N
SEMI-COMMERCIAL THINNING	N	N	N	Y	Y	Y	N
CONIFER RELEASE	Y	Y	Y	Y	Y	Y	N
FELLING AND/OR REMOVAL OF RESIDUALS FROM CUTOVERS	N	N	N	Y	Y	N	N
FERTILIZATION	Y	N	N	N	N	N	N
TIMBER PRODUCTION - HARDWOODS							
SHELTERWOOD CUTTING	N	?	?	Y	Y	Y	N
PRECOMMERCIAL THINNING	N	?	?	Y	Y	Y	N
CROP TREE RELEASE - WHITE BIRCH & OTHER HARDWOODS	N	?	?	Y	Y	?	N

Exhibit 6. (Cont'd) Activities Funded Under Forest Renewal Agreements

INCENTIVES AVAILABLE TO WOODLOT OWNERS	B.C	Ont	Que	N.B.	N.S.	P.E.I.	Nfld & Lab.
DEVELOPMENT OF MANAGEMENT PLANS	Y	Y	Y	Y	Y	Y	Y
INVENTORY	Y	Y	N	N	N	N	Y
ACCESS ROADS	N	N	N	Y	Y	Y	Y
BOUNDARY LINE MAINTENANCE	N	N	N	N	Y	Y	Y
LOW COST PLANTING STOCK	Y	Y	Y	Y	Y	Y	Y
SUGAR BUSH DEVELOPMENT	N	?	?	Y	Y	?	N
CHRISTMAS TREE FARMS	N	?	?	N	Y	?	N

Source: Various.

4.4 (Cont'd)

venture in order to qualify for assistance. Now non-members may also qualify for limited support.[2] In Nova Scotia, woodlot management programs are delivered directly to landowners via the Private Lands Staff, or in some cases via group ventures. In most provinces, land owners need only deal with one agency to take advantage of woodlot programs.

Subsidization levels vary from province to province. British Columbia's private lands programs provide a maximum subsidy of 80% and/or $80,000 per land owner. Owners must additionally agree to keep the land in forest production for a period of 15 years. In Ontario, subsidies range up to 100% for landowners who hold Woodlot Improvement Agreements with the Province. Quebec has a number of programs with various levels of support to woodlot owners. However, access to programs (and thus funding) is facilitated by membership in group ventures. Both Ontario and Quebec require 15-year management commitments from landowners who participate in the comprehensive forestry programs. In Nova Scotia and Prince Edward Island, woodlot programs are funded completely by the federal government. Newfoundland's programs are pilot projects recently initiated by the CFS. No management commitments are required of landowners in Atlantic Canada except in Nova Scotia when a woodlot owner is a member of a group venture.

[2] Individuals may obtain free seedlings and technical advice under the new regulations. However, membership in a group venture facilitates access to other assistance programs, particularly the forestry credit program.

4.5 Regional Planning

The marketing boards, with financial and technical assistance from the DNRE, are starting a regional planning process which is designed to provide information on sustainable harvest levels under different levels of forest management. This process is just beginning and it is still relatively unclear exactly how these estimates will be obtained and what information will be presented. The DNRE has specified the following minimum requirements in order for the marketing boards to receive funding to undertake regional planning:

- A written forest management plan based on wood supply analysis techniques.

- Calculating its annual allowable cut (A.A.C.) and defining the harvesting and silvicultural activities necessary to support the A.A.C.

- A communication plan to individual woodlot owners to determine user needs, interests, etc., and appropriate data base.

- A data system accessible by all players (DNRE, CFS, etc.).

5. RESULTS OF THE WOODLOT OWNER SURVEY

A complete description of the sample of 36 respondents is shown in Appendix B. Frequency distributions for each question on the survey and the interview guide are also given.

The main findings are highlighted below.

5.1 Participation in the Woodlot Programs

Of the 36 woodlot owners contacted in the survey, 24 participated under Projects 1.2.1 (softwood silviculture) and 1.2.2 (hardwood silviculture) and 12 under Projects 5.3 (woodlot infrastructure) and 5.4 (sugar maple development). All of the participants under Project 5.4 were from the North Shore marketing board region.

The average subsidy for landowners under Project 1.2 was $1347; under Project 5.3, $910; under Project 5.4, $7575. However, there were large differences among regions for Project 1.2. The average subsidy was lowest for Southern N.B. ($431) and Southeastern N.B. ($461) and highest for Northumberland ($3274) and Carleton-Victoria ($1973).

Woodlot sizes varied a great deal. Thirteen respondents owned woodlots less than 100 acres in size. Ten owned woodlots between 100 and 250 acres in size and nine had woodlots of 500 - 1000 acres. Four had woodlots larger than 1000 acres in size.

5.1 (Cont'd)

Fifteen respondents said that they earned no income from their woodlots in the last four years. Eight said that they earned less than 5% of their income from their woodlot. Five respondents however, earned a significant portion of their income from their woodlots (more than 75%). All but one of the remaining respondents earned less than 50% of their income from their woodlots.

Ten of the respondents were aged 30 - 39 years, nine were between 40 and 49 years of age and six were over the age of 70. On the average, Madawaska respondents were the youngest participants and Southern N.B. respondents the oldest.

5.2 Promotion of the Woodlot Programs

Carleton-Victoria had the highest average rate of previous participation in woodlot programs (2.8 projects per beneficiary) and North Shore the lowest (2 projects). The overall average was 2.25. Except for North Shore and Madawaska regions, the majority of respondents had participated in the programs previously, several 3 or more times.

Eleven of 36 respondents said that they heard about the programs via word-of-mouth, rather than through the marketing boards or DNRE which deliver the woodlot programs. Twenty-two of the respondents said they had regular contact with the marketing boards, yet only 14 said that they learned about the programs through the marketing board. A number of respondents complained that it was difficult to find out about these programs.

5.2 (Cont'd)

Only three respondents knew that the programs were part of the Federal-Provincial Forest Renewal Agreement. Ten had no idea where the funding came from and the remainder was split believing the funding to come from the marketing board checkoff fees or through DNRE.

5.3 Motivation of Woodlot Owners to Participate

Only five respondents cited availability of subsidies as their motivation to participate in the programs. Most (21) said that they participated in order to improve the return on their woodlot, either through improved products or better access. Six respondents said that their prime motivation was to improve the aesthetics of their property, and/or to leave an improved woodlot as an inheritance to their children.

Less than half of the respondents (14) had had a management plan prepared for their woodlots (no one from York-Sunbury-Charlotte and only one from Madawaska.) Of those with plans, six were prepared by the marketing boards, six by DNRE foresters, one by the owner himself and one by the Department of Commerce and Technology (for a sugar maple operation). Only six respondents said that the plans were truly useful to them; seven said the plans made little difference to their operations and one said the plan was of no value whatsoever. This attitude may be explained by comments about communication between the forester writing the plan and the landowner. Six respondents felt that the forester did not spend sufficient time with him to understand his objectives and constraints. Several

5.3 (Cont'd)

commented that the process was "a rush job", that the forester "planned what he wanted to do, not what I [the landowner] wanted to do". A number felt that the foresters had too much of an industrial perspective, and did not explain fully what the prescriptions entailed.

Most respondents (30) were satisfied with the technical advice about the project to be funded. Those who were not satisfied cited problems such as no choice in the species selection or the planting density. The majority of the respondents (22) said that they depended on professional advice from marketing boards or DNRE for most of their information needs. Friends and family and their own intuition made up the difference.

5.4 Satisfaction with Woodlot Programs

Half of the respondents said they did the silvicultural work themselves (all five from North Shore and four out of five from Southern N.B.). Marketing board crews were used on five of the surveyed properties. Most respondents (31) were satisfied with the work that was done on their properties.

Those who were not satisfied cited as their reasons; shoddy contractors, poor quality seedlings and too many trees being removed during thinnings.

All but two respondents were satisfied with the financial assistance they received. Three respondents expressed surprise that the subsidies were as high as they were or that the subsidies existed at all. Twenty-six respondents said that they were able to obtain funding for all the work

5.4 (Cont'd)

they wanted done. Of those who were not able to obtain complete funding, boundary marking and the desire to conduct additional thinnings on hardwoods were most often cited as desired activities. (Four individuals indicated that they were told that they could not undertake the additional hardwood thinnings they desired but were unsure of the reason why they could not do so).

Half of the respondents had done silvicultural work on their woodlots previously, without financial assistance. Fifty percent also said they would do at least some of the work covered under the subsidy program, albeit often not to the specifications of the program. Those who would not do woodlot improvement work without the subsidy said that such work was too expensive, and that in most cases the price for their products would not justify the extra effort.

5.5 Commitments of Woodlot Owners

Of the 24 participants under Project 1.2, only four actually stated that they contributed 10-15% of the total cost of the project. Seven said that the work was completely subsidized and cost them nothing. Ten of 36 respondents could not state what percentage of the total cost they were required to pay. Three of these said that the percentage would depend on how you valued the landowner's time, since they did the work themselves and incurred incidental costs not covered by the subsidy. Several others could not remember or said that they did not handle those finances.

When asked if they would participate in a similar program which required the landowner to maintain his woodlot for forest production, half of the respondents said they would participate. Most of those who would not participate said they feared that they would lose "control" over their land

5.5 (Cont'd)

under such a program. However, some said they might consider it more favorably if they could be assured that they would be in a position to decide what will be done with their land.

Only six respondents said they would not participate in woodlot programs if they had to pay 20% of the total costs (7 would not participate if required to pay 25%). Many commented that they would participate even if subsidies amounted to only 50 or 60% of the total cost. The determining factor for most respondents was that they would be able to decide what maximum contribution would be required of them.

6. DISCUSSION OF ISSUES

Based on the consultants' interviews and analysis of the programs, thirteen issues have been identified for review. These are grouped under the major headings of:

- Rationale
- Impacts and Effects
- Objectives Achievement
- Alternatives.

6.1 Rationale

Rationale issues are issues which focus on the purpose of the Agreement and whether its original goals are still valid. They also attempt to address the internal consistency of the Agreement and the logic of its structure.

ISSUE 1: Funding of activities which do not have a direct effect on softwood supply.

In general, the woodlot owners' objectives are not inconsistent with those of the Agreement. However, during the process of interviewing marketing boards and woodlot owners' associations, the consultants were informed that not everyone is content with the current objectives for the woodlot programs. In several regions the owners indicated a preference for more programs geared to meet their objectives rather than industry objectives. They felt that the programs should be broader in scope and more flexible since woodlot owners often have much broader objectives for their woodlots than softwood supply. These owners tend to be concerned with aspects such as recreation, wildlife or aesthetics.

6.1 (Cont'd)

Could be broadened to include other objectives, but because of resource limits they have focussed on increasing the softwood supply and to generating income from the production of wood from private woodlots.

The Federation of Woodlot Owners believes that the current objectives need to be broader to respond to woodlot owner objectives. For example, the Federation has stated its position on the objectives of the next Agreement:

> To elevate woodlot owners' interests and commitment to woodlot management through (1) improved woodlot owner income through increased fiber yield and product diversity, (2) education initiatives, and (3) recreational and wildlife strategies. That is, enhance utilization and management of the full and varied potential of both the human and forest resource that exists within the woodlot sector in such a manner as to assure the economic viability of private woodlots now and in the future. (Personal communication with Peter DeMarsh).

Over the past four years there have been changes made to accommodate differences of opinion over some aspects of the Agreement, and communication and cooperation between governments and the woodlot owner groups has improved considerably. The issue of hardwood retention in mixed wood stands, for example, was resolved through discussions between the parties to the Agreement and the Federation, with the rate being increased to 50% as a result of these discussions.

6.2 Impacts and Effects

ISSUE 2: Comprehensive forest management.

The administrative arrangements and eligibility criteria could be improved to provide a more comprehensive approach to forest management.

A comprehensive approach to forest management requires at least the following three elements:

- A plan to ensure that treatments in a region will be done where the wood supply impact is greatest.
- A plan at the individual woodlot level to guide the landowner in terms of stands to be treated and future or follow-up treatments needed.
- A process to ensure that follow-up treatments are carried out.

It is a condition of the federal and provincial governments that the Agreement operate on a "first-come, first-served" basis in each region.

With the limited resources which have been available, it is not possible to offer plans and other assistance to everyone, so "first-come, first served" has been the method for rationing the resources. However, the effects have been to see less than optimal size stands treated and treatments being done on woodlots where the return on the investment is lower than it would be on others.

6.2 (Cont'd)

The regional planning process which is now getting underway should help to provide a better framework for identifying the priorities for treatments on a regional basis.

Although a basic plan is a requirement before a woodlot owner can receive funding, management plans for the entire woodlot level are not required. In our survey, half of the owners who had plans prepared were often not satisfied with the plans, finding them to be of little help, usually because they only dealt with a particular stand or treatment which was eligible for assistance. Woodlot management plans are important elements in a comprehensive forest management strategy as they provide the owners with an understanding of the follow-up treatments which must be carried out. As well, they ensure that, while broad Agreement objectives are being met, owner objectives are addressed as well.

Individual woodlot plans provide useful information for regional and provincial plans. Even if woodlot owners decide not to do anything with their woodlots, the fact that a plan has been prepared indicates to planners that the wood source should not be counted in the overall total.

A comprehensive approach would also include a mechanism for committing the woodlot owner to keep land in production and carry out treatments. After receiving financial assistance, there is no obligation on the owner's part to carry out any further treatments, or even to retain ownership. From a policy point of view, unless there is an understanding that treatments will continue, it is pointless to invest in replanting. At least as far as replanting is concerned, there should be an Agreement at the outset that the landowner will continue treatments as needed following the initial assistance.

6.2 (Cont'd)

One of the approaches taken in other provinces to promote comprehensive management is to require woodlot owners who receive benefits to commit to continuing treatments and not to use treated land for other purposes for a period of 10 to 15 years. Neither the regional woodlot organizations nor individual owners believe New Brunswickers would be willing to make similar commitments in return for obtaining assistance for treatments. They felt that owners would be scared away from the assistance programs because of their fear of "losing control" of their woodlots. The experience elsewhere tends to dictate otherwise. In provinces with this requirement, it does not seem to deter owners from seeking assistance.

ISSUE 3: The length of the Agreement.

Forest management requires inputs over a long period of time. The annual allowable cuts calculated for private woodlots assume that treatments will continue to occur at current levels for the next 80 years. Thus, embarking on any support program in the sector requires a long term commitment on the part of government. A five-year Agreement is too short a time-frame to measure achievement, or to convince private woodlot owners to become involved.

Follow-ups for treatments such as reforestation will be required after this Agreement has expired. If woodlot owners do not have any assurance that assistance will be available, they may be reluctant to pursue forest management activities, or, having undertaken reforestation, to continue herbicide spraying as needed.

6.2 (Cont'd)

The practical reality must also be recognized that economic, biological and political conditions change continuously and governments would not want to make inflexible long-term agreements which would tend to lock them in to programs which do not meet the needs of the times. Nevertheless, both from the point of view of encouraging woodlot owners to recognize their long-term commitment to a management process, and of helping them in future to properly manage their lands, some means should be found to foster a longer term commitment by government to private woodlot development.

ISSUE 4: Program delivery.

As the system is presently designed, regional organizations such as marketing boards, co-ops and woodlot owners' associations are responsible for the delivery of the parts of the Agreement coming under Program 1.1 and 1.2. The parts of the Agreement coming under Part 5 are delivered directly by DNRE. Recently, some of the responsibility of Part 5, namely the preparation of management plans, has been delegated to regional organizations.

The regional organizations' responsibilities include:

- Deciding which woodlot owner is eligible for and will receive assistance based on criteria established at the provincial level
- Preparing a management plan for the owner, or arranging to have one prepared
- Deciding how much he/she will receive based on the criteria

6.2 (Cont'd)

- Overseeing the work to ensure it is up to standard
- Paying for the work
- In regions where the organization operates a silviculture crew, the work may actually be carried out by its own staff.

CFS and DNRE's control over the system is through regular monitoring of individual projects and site inspections, as well as participation on regional committees to review applications that do not clearly fit the selections criteria, but which for various reasons may be considered as worthy projects.

Policies and procedures for setting priorities, collecting an owner's contribution to project costs, and liaison with CFS and DNRE vary from area to area, but authority and responsibility for decision-making and for promotion and interpretation of the Agreement to woodlot owners is the same for all regions.

Some examples of the policies and procedures at the regional level demonstrate how differently the delivery system operates in various areas.

- In one region, owners are required to pay their share of costs of treatments before contractors are paid. In other regions, there is no specific attempt to formally identify the owner's responsibility under the program.

- One region waits for several weeks before making a final payment for work completed. This allows CFS time to make site visits and certify the work. In other regions, this is done after the fact, when it is almost impossible to get the contractor to return or to pay a refund.

6.2 (Cont'd)

- In one region, the marketing board actively seeks out clients for assistance; in others, the response is strictly "first come, first served".

- Some regions have stated that there is not a fair regional distribution of the program funds. Those which receive a particularly small share of funds note the imbalance between total allocation and the number of owners in a region. (The regional allocation of budgets is now carried out by the Federation of Woodlot Owners in consultation with each regional organization.)

Some of the regional organizations have suggested that it is not an appropriate role for them to be responsible for delivery of the programs, while at the same time having to turn down owners and restrict promotion of the programs because their funding allocations are limited. They see themselves as caught in the middle between having to deliver government programs and at the same time represent the best interests of their membership.

With the present structure, the potential exists for conflicts of interest to occur, and for the organizations to exclude parties from participation in the benefits of the Agreement.

For example, if an organization has its own crew, it is not necessarily in its own best interest to advise potential clients that they can have work done by any contractor. Similarly, it is up to the individual regional organization to publicize the availability of the programs and encourage owners to apply for assistance. Regional organizations have been reluctant to widely publicize the program because they do not have enough funds available to assist all the

6.2 (Cont'd)

applicants who would come forward. This tends to result in those who know the most about the organization being the ones to apply for assistance.

Another example is the lack of understanding among the owners participating in the Agreement as to where the funding comes from. The survey of woodlot owners indicated that, in almost all cases, owners believed the funding came from the marketing board. The involvement of CFS and DNRE was not recognized.

The mandates of the regional groups responsible for the delivery of the programs differ as well. Marketing boards have different roles from owner associations, who, in turn, have different roles from a co-op. The Federation's representative has stated that it appears that there is a trend toward consolidating the owners' organizations and the marketing boards at the regional level. Meanwhile, the way each organization operates and is seen by the owners in the region is somewhat different, but it seems clear that the distinction is blurred in most cases. As increased responsibility is divested to regional organizations to carry out regional planning, the need for a dominant regional organization will increase.

The main conceptual flaw with the present system is that, in principle, it is the owners' association that represents the woodlot owners in a region, whereas the marketing boards are made up mostly of individuals who have an interest in selling wood. In practice, however, this does not appear to have affected marketing boards' abilities to deal with all the owners in the region.

6.2 (Cont'd)

The need for change is not in the delivery system per se, but in finding a means to ensure that owners are treated in a consistent fashion everywhere in the province, and that there is equitable access to the system for all owners. Local organizations should not be placed in the position of promoting the program while having to ration funding at the same time.

The alternatives to the present arrangement are:

. To set up owner associations in all regions. This appears to be impractical given the trend toward consolidation of regional organizations.

. To move toward some form of direct delivery by CFS and/or DNRE at the regional level. While this approach is used in other areas, the regional approach used in New Brunswick seems to have been a very effective way to locate and advise owners about the program and deal with inspections of work by contractors.

. To centralize the project approval and claims payment function, while maintaining and strengthening the regional organizations' ability to assist clients with their proposals for treatments and to promote the program. This would provide the ability to introduce procedures which ensure that clients anywhere in the province are treated in a consistent manner as regards their application, the way their financial contribution to the projects is handled, and their choices as to who carries out work for them. In short, this option addresses the need for some consistency in dealing with clients, while maintaining a regional focus representative of, and run by, the owners in the region.

6.2 (Cont'd)

A final observation in relation to program delivery is the cost impact of the method being used. Because the systems are so different in each province, it was not possible to compare the costs of delivery in New Brunswick to other provinces although federal auditors have noted that administrative costs are high compared to other provinces with forestry Agreements. In this regard, it must be noted that the situation in New Brunswick is quite different from other provinces, and the additional costs are in part due to the way the program is delivered. For example:

- The "first-come, first-served" policy at a regional level means that regional organizations incur substantial additional costs visiting landowners and undertaking projects scattered over the region

- Marketing boards are serving an extension role, providing management planning services which, if carried out by consultants, would be considered program funding. Often, a visit to a landowner results only in a decision not to proceed with any treatments. This is useful education for the landowner, even though no treatment may result.

ISSUE 5: Opportunities for private sector involvement.

One of the intended effects of the Agreement was to create private entrepreneurial businesses in silviculture and forestry consulting for small woodlots. In some regions, there has been progress in relation to this objective - in others, these firms have failed to materialize. Four of the regions have established their own silviculture crews.

6.2 (Cont'd)

Whether this is the cause or the effect of the lack of private sector opportunity is not clear. However, some of the concerns identified by contractors include:

- Low rates of payment for work, which while they may cover the costs of a marketing board crew, do not adequately compensate contractors for overhead and profit.

- Marketing boards with crews will not necessarily advise the landowner that he has the option of having the work done by contractors.

- There have not, until recently, been enough resources within the Agreement to permit landowners to have management plans prepared, which would provide opportunities for forestry consultants.

- If marketing boards were prepared to tender for work on the basis of annual blocks of acreage of treatment, contractors might be more likely to make the investments in equipment needed to run a crew.

The way to open up the silviculture work to the private sector would be to ensure that owners realize they have a choice and for crews and consultants to register with each marketing board. This list would be given to each woodlot owner looking for treatments or management plans, and the owner would be responsible for locating a contractor and obtaining price quotations or proposals. Marketing board crews could also be included on the list.

Opportunities would also be increased if the Agreement were to adopt a "single entry point" approach to the private woodlot programs. Such an approach would result in one regional organization being responsible for all initial contact with woodlot owners.

6.2 (Cont'd)

A more equitable formula for payment for services which recognizes overhead and profit requirements of private firms is also essential if opportunities are to open up. There is little opportunity for private sector involvement in the preparation of management plans or offering choice to the woodlot owner of whom shall prepare a management plan. If an owner wants a management plan he or she must have the work done by the organization or FES. CFS, DNRE and individual owners all expressed a desire to see this process opened up to allow other participants to prepare plans.

As the capabilities of the private sector develop, marketing boards should not need to have their own crews and these could be spun off into private business.

ISSUE 6: Herbicide spraying.

None of the agencies involved with the private woodlot programs are willing to assume liability for herbicide treatments. This has prompted some marketing boards to refuse to deliver these treatments to private woodlot owners even though they are an essential component of the silvicultural programs. The marketing boards have suggested that liability insurance should be subsidized.

The Federation of Woodlot Owners, in their memorandum to Cabinet in August, 1988, suggested the CFS purchase ground spraying equipment and lease it to a consortium of silvicultural contractors, who would be entirely responsible for spraying operations. It was also suggested that individual regional organizations set up their own spraying companies, independent of the marketing boards.

6.2 (Cont'd)

This proposal has not been responded to, but has been suggested for inclusion in the next forest renewal agreement.

6.3 Objectives Achievement

ISSUE 7: Agreement objectives.

Exhibit 7 shows the amount spent as of mid-August 1988 on Projects 1.2.1 and 1.2.2 and Program 5. Exhibit 8 shows the number of hectares treated under Projects 1.2.1 and 1.2.2.

The total amount budgeted for Project 1.2.1 over the life of the Agreement was $9.5 million. As of mid-August, 1988, a total of $6.668 million had been spent (70%). The objectives of the Agreement stated that 14,300 hectares of softwood stands were to be treated over the course of the Agreement. As of mid-August 1988 a total of 9,491 hectares (66%) had been treated under Project 1.2.1. Since there were no targets by region, it is not possible to tell whether all regions have performed equally well in relation to objectives, or whether the types of treatments and frequency are consistent with the Agreement's original intent. Nor is it known how much funding will be required for the duration of the Agreement to maintain silviculture on land already treated.

The total amount originally budgeted for Project 1.2.2 over the life of the Agreement was $625,000. As of mid-August 1988 a total of $371,556 had been spent (59%). The objectives of the Agreement stated that 1,200 hectares of hardwood stands were to be treated over the life of the Agreement. As of mid-August, 1988, a total of 656 hectares had been treated.

Exhibit 7. Expenditures on Private Woodlots as of Mid-August 1988

	PROJECT 1.2.1 MARKETING BOARD	ADMIN.	REFOR.	STAND IMPROVE.	TOTAL
1	Southern NB Co-Op	247,959	608,985	675,327	1,532,271
2	York/Sunbury/Charlotte	280,442	336,499	561,199	1,178,140
3	Madawaska	186,520	460,393	461,509	1,108,422
4	North Shore	221,513	210,244	320,951	752,708
5	South East	170,059	177,634	365,626	713,319
6	Carleton/Victoria	149,088	408,136	108,682	665,906
7	Northumberland	146,000	249,669	181,213	576,882
	Federation of W.O.	140,764			140,764
	TOTAL	$1,542,345	$2,451,560	$2,674,507	$6,668,412

	PROJECT 1.2.2 MARKETING BOARD	STAND IMPROVE.
1	York/Sunbury/Charlotte	108,988
2	Madawaska	84,646
3	North Shore	55,937
4	Carleton/Victoria	51,200
5	Southern NB Co-Op	34,963
6	South East	18,015
7	Northumberland	17,807
	TOTAL	$371,556

	PROGRAM 5 SUB-PROGRAM	TOTAL
5.1	Management Plans	116,852
5.2	Technology Transfer	138,401
5.3	Roads	962,842
5.4	Christmas Trees	239,913
	Professional Services	40,295
	Sugar Bush	240,534
	TOTAL	$1,738,837

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Exhibit 8. Hectares Treated as of Mid-August 1988

PROJECT 1.2.1

MARKETING BOARD	HECTARES
Southern NB Co-Op	2,285
Madawaska	1,745
York/Sunbury/Charlotte	1,508
Northumberland	1,042
North Shore	1,035
South East	946
Carleton/Victoria	930
TOTAL	9,491

PROJECT 1.2.2

MARKETING BOARD	HECTARES
York/Sunbury/Charlotte	221
Madawaska	129
North Shore	100
Carleton/Victoria	83
Southern NB Co-Op	57
Northumberland	38
South East	28
TOTAL	656

6.3 (Cont'd)

The total amount budgeted to Program 5 over the life of the Agreement was $2.796 million. As of March 31, 1988 a total of $1.739 million had been spent (62%). The percent spent under each Project varied considerably. Under Project 5.1, Woodlot Planning, $200,000 was allocated and $116,852 (58%) had been spent. Under Project 5.2, Technology Transfer/ Training and Education, $471,460 was allocated and only $138,401 or 29% had been spent. Under Project 5.3, Woodlot Infrastructure, $1.3 million was allocated and $962,842 (74%) had been spent, and under Project 5.4, Specialty Products, $825,000 was allocated and $520,742 (63%) had been spent.

Exhibit 9 presents a summary of the above expenditures and Agreement objectives on private woodlot programs to mid-August, 1988. As of mid-August 1988, 76% of the five year period of the Agreement had elapsed and 68% of the total amount allocated to the private woodlot programs had been spent. From a funding point of view, this would suggest that expenditures are on track, given that it will take an additional year to pay all claims for work initiated before the five-year termination date.

The response to the softwood silviculture project has been very high on a yearly cash flow basis. The Management Committee has had to allocate funds from program 1.2 into the softwood silviculture program. In several cases, the funding has been taken from hardwood silviculture. The expenditures on administration as of mid-August, 1988 were 77% of the original $2.0 million budgeted for this purpose. The interim review of the FRA suggested that the projected five-year funding requirement for administration would exceed the $2.0 million allocated by $48,000.

Exhibit 9. Expenditure Summary - Private Woodlot Program

Project Name	Actual to Mid-August 1988	Agreement Objectives	% of Objective
1.2.1 Softwood:			
Dollars	$6,668,412	$ 9,500,000	70%
Hectares	9,491	14,300	66%
1.2.2 Hardwood:			
Dollars	$ 371,556	$ 625,000	59%
Hectares	656	1,200	55%
5.1 Management Plans	$ 116,852	$ 200,000	58%
5.2 Technology Transfer	$ 138,401	$ 471,460	29%
5.3 Woodlot Infrastructure	$ 962,842	$ 1,300,000	74%
5.4 Specialty Products	$ 520,742	$ 825,000	63%
Total	$8,778,805	$12,921,460	68%

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6.3 (Cont'd)

The provincial "A" base system provided $140,000 for the additional funding needed to administer the program in 1988/89.

The hardwood silviculture project (1.2.2) is much further behind in expenditures than the softwood silviculture project. The low response rate to this project can be attributed to the fact that because funds are limited, the program is not actively provided.

It has also been pointed out that foresters in the province do not have much training in hardwood management, and generally are not as well versed in the options as they are for softwoods.

Under Program 5, woodlot infrastructure has the highest expenditures. This project has been very popular among woodlot owners. Demand is always well in excess of the budget available for infrastructure projects.

ISSUE 8: Technical criteria.

Technical criteria are used to assess the eligibility of projects for funding. These criteria include items such as minimum size of stands to be treated, spacing rates, species to be planted and the types of treatments permitted. Projects which do not meet the criteria but which the silviculture manager believes will be of benefit to the stand can be reviewed by a Regional Silviculture Advisory Committee (RSAC), composed of members of the CFS, DNRE, and the regional marketing board or owners' association. If the three representatives can agree to support a project, the guidelines are established and the

6.3 (Cont'd)

owner proceeds with the project. The main concerns which were expressed about the way in which applications are reviewed include:

- The criteria do not take regional differences in the forest or regional development priorities into account
- The need to have three-way consensus on Program 1 projects which do not meet the criteria seems too cumbersome
- Owners would like more control over the species they can plant for reforestation projects. They are now limited by the quantity of species available.

The consultants believe that the long range solution is to have criteria drawn up based on the regional strategies which are now underway. With regional plans in place, criteria can be developed to reflect the local priorities and needs. Until these plans are in place, apart from possibly simplifying the procedure for decision-making about projects which do not meet the criteria, we suggest that the current criteria do not need major revisions. However, they should be the subject of regular review, with updates being made when precedents are set by approvals of projects which necessitate a change in criteria. With limited resources available, fairly rigid criteria are necessary to ensure that expenditures are being made where they will have the greatest impact.

6.4 Alternatives

ISSUE 9: Program modifications for the next Agreement.

All the parties interviewed appear to agree that there should be some modifications to the programs to allow for intermediate treatments and a more flexible approach to how work is carried out.

6.4 (Cont'd)

It seems apparent that the best approach to meeting the objectives of the Agreement is to develop regional strategies and evaluate and undertake individual projects which are highest regional priorities. There should be recognition of this process in the next Agreement, with funding available for undertaking regional strategies in all regions.

Regional organizations and government representatives expressed the need for better and more frequent follow-up of woodlots which have been treated. This is especially important in the case of reforestation where tending must be done until the trees reach a "free-to-grow" state. There were several suggestions that owners should be involved in, and committed to, a complete package at the outset. This would include site preparation, planting and tending. This package would also describe the responsibilities of the woodlot owner in meeting his commitments.

A third area where changes should be considered is to familiarize the application process for assistance and to carry out more planning at the "front end" of the process. This was seen as important not only for the owner as a vehicle to educate and encourage good management practices, but also to provide good data for the regional planning process.

Regional organizations tended to focus on the following activities for consideration in future agreements:

. Selection harvesting
. Sanitation harvesting on budworm affected sites
. Boundary marking

6.4 (Cont'd)

- Tree marking for uneven-aged management
- Additional road programs
- Fill-in or spot planting
- Species diversity in planting
- Hardwood reforestation.

The most often requested additions to the programs from the regional organizations were tree and boundary line marking. The difficulties involved in the administration of these additional activities were identified as key deterents to adding these activities:

- Deciding whether or not surveyors' fees should be covered
- If not, who is liable in the event of marking errors
- Would marking involve complete line, cuts, or a more simple procedure

On balance, it would appear that adding boundary line marking could be fraught with problems of administration and potentially very high costs.

A need for additional research was also expressed. Professionals, are particularly interested in growth and yield data and permanent sample plots, especially in treated stands.

A final suggestion for improvements to the Agreement was to allow contractors to be able to access the technology transfer program for experimental use of equipment. At present, assistance is only available to purchase equipment, but it was felt that this should also extend to helping contractors obtain equipment on trial for evaluation.

6.4 (Cont'd)

ISSUE 10: Coordination and communication.

The consultants received the general impression that cooperation, communication and coordination among the parties involved with the private woodlot programs is generally fairly good. It was pointed out that over the course of the current Agreement, communication has improved considerably.

Most of the communication problems seem to be at the regional level. An example given involved a situation where one agency told a woodlot owner that he was eligible for assistance under a program delivered by another agency: when the stand was evaluated, it did not meet the criteria. We found that field personnel within one agency were unaware of programs delivered by other agencies.

Better communication with owners is also needed. The woodlot owners do not have a clear point of entry into the system for information or assistance, nor is there any published material such as brochures which would explain the programs to them.

One area which has caused friction between agencies is monitoring. In cases where there is a good working relationship between the regional organization and the forestry officer, monitoring appears to run smoothly. In areas where this relationship does not exist, problems tend to get compounded. For example, one regional group felt that they were being "over monitored" and that someone was looking over their shoulder all the time while they considered the deficiencies noted to be minor.

6.4 (Cont'd)

Timing of the monitoring activity has been a contributing factor. Generally, monitoring is done after the work is completed and payment has been made. If monitoring turns up a problem, it has been difficult to get the money back or get the contractor to repair his mistakes. In several cases the marketing boards have simply refused to try to obtain payment.

The Madawaska Marketing Board has established a system in which monitoring takes place before payment. The marketing board waits three weeks between the time work is actually completed on the site and the time payment is made. The Forestry Officer is notified as soon as the treatment is completed and he inspects the project during this three week period. The system has worked very well and the contractors and woodlot owners in the region have accepted the minor delay in payments without any problems.

ISSUE 11: A separate Agreement for private woodlots.

The Federation of Woodlot Owners would like a separate federal/provincial Agreement for private woodlots. The Federation feels that a separate Agreement for private woodlots which includes a distinct strategy and description of intentions is needed to clearly demonstrate that private woodlots are distinctly different than Crown lands.

The Department of Natural Resources and Energy does not seem to be strongly opposed to a separate federal/provincial Agreement for woodlots. DNRE believes that this could help private woodlot owners by giving them a higher profile. One suggestion was put forth that instead of being separate, that the next Agreement be composed of two parts, an A section for Crown, native and freehold lands and a B

6.4 (Cont'd)

section for private woodlots. This would help give the private woodlots separate objectives and a separate description but, still maintain the integrity and cost efficiency of one Agreement.

The CFS believes that a separate federal/provincial Agreement for private woodlots is not necessary. The CFS points out that not only would two separate Agreements be difficult to administer and coordinate but it would mean duplication of services for activities such as technology transfer, education and research, although a separate component for silviculture does not appear to be a problem.

ISSUE 12: The system for establishing rates.

Under the current system, rates are recommended by the Criteria Committee and are subject to approval by the Management Committee. The committee is made up of a representative from the CFS and one from the DNRE. Two other people are frequently invited to the committee meetings (the Provincial Coordinator and the Supervisor of the seven CFS Forestry Officers) but they are not official members.

Rates are not established each year, but are adjusted occasionally using an "across the board" percentage increase, tied to the provincial inflation factor. Where a rate appears to be out of line, adjustments may also be made. In many cases, rates established for Crown lands (such as spacing) are used as a base and are increased by a sufficient amount to account for the smaller treatment areas.

6.4 (Cont'd)

In some cases rates established under previous programs have been successively increased over the years. If a new treatment is added or an old rate challenged, then a rate is estimated from "scratch". This procedure includes estimating how long it would take to perform the work, establishing an acceptable pay rate and calculating in a productivity factor. These estimates are generally not based on data obtained from actual operations, but a "guestimate" of the level of effort needed. Except for the across the board increases, rates are only changed if the Criteria Committee receives a proposal from a regional group, CFS staff FES.

Not only is the method very subjective but there needs to be more input from the foresters in the field, contractors and the woodlot owners who have experience performing a particular treatment. Collecting data on the costs of treatments needs to be made a priority so that reasonable rates can be established.

It should also be noted that only one rate for each treatment has beer established. This means that private contractors, marketing board crews and land owners receive the same rate.

ISSUE 13: Financial commitments by woodlot owners.

In principle, everyone seems to accept the principle that woodlot owners should be required to make some financial commitment to their projects.

6.4 (Cont'd)

The Federation of Woodlot Owners indicated that a contribution by the woodlot owner is an important commitment demonstrating his or her willingness to make sure that the work is done correctly and to take care of the woodlot after the treatment is complete.

In practice, individual regional associations approach the actual collection of the contribution differently. One of these groups feel so strongly that they now have the contractor bill the association and then collect the woodlot owner's share to be assured that all owners pay on the same basis. On the other hand, three regional groups leave it up to the contractor to collect the owner's share. In the other two regions most owners do the work themselves for the basic rate and the regional organization feels that because this is below the true cost, their contribution is the difference between what was paid and the value of their time.

Most woodlot owners seem willing to pay a share of the cost. In the survey of woodlot owners, the owners we interviewed generally indicated that they are willing to make a financial commitment to a project.

The largest need in relation to this issue is for a consistent approach to dealing with landowners so that owners are treated the same way throughout the province. The procedure should reinforce the following points:

. A standard share of the cost of the project is borne by the owner (either in the form of cash or sweat equity).

. Invoicing for projects is handled in a consistent fashion in each area.

7. RECOMMENDATIONS

Our recommendations for changes required in the new Agreement are summarized below under the following headings:

- Program design
- Program delivery
- New elements needed
- Administrative issues

7.1 Program Design

RECOMMENDATION 1:

Private woodlots should be recognized in a separate and distinct section of the next Agreement.

To emphasize the importance of private woodlots, and to clearly indicate the inter-relationship between projects in different parts of the present Agreement, all private woodlot programs should be grouped into a special section of the next Agreement. This should include the current Projects 1.2.1 and 1.2.2 and Projects 5.1, 5.2, and 5.3. Private woodlots are distinctly different from Crown lands primarily because of the diversity of owner objectives and should be recognized as such. Only the issues and objectives that are relevant to the private woodlots should be included in this section of the next Agreement.

7.1 (Cont'd)

RECOMMENDATION 2:

A "Memorandum of Understanding for Private Woodlot Management" should be included with the Agreement showing government commitment in principle to the long-term development of private woodlots.

Because of the need for a long-term commitment on the part of government, the DNRE and the CFS should sign a memorandum of understanding that ensures that the private woodlot programs will continue for the next 15 to 20 years. The ability to negotiate specific five-year Agreements would remain.

There are several benefits to a longer term Agreement. One is more program continuity. Forest management is a long term activity and cannot be completed within a five-year time frame. A woodlot owner may be more likely to reforest if he can be guaranteed that assistance for herbicide spraying will be available five or six years later. Another benefit is the ability to do more long-term planning. The federal and provincial governments will be in a better position to budget for upcoming years. The regional organizations will also be better able to develop regional plans.

7.2 Program Delivery

RECOMMENDATION 3:

The seven regional organizations now delivering the programs should become the single point of entry in each region for any woodlot owner seeking assistance under any part of the Agreement.

One of the difficulties with the present system is that a woodlot owner has to apply to different organizations for assistance under different sections of the Agreement. There is no coordinated approach at the regional level to promotion of programs, or to eligibility for various forms of assistance. A single point of entry, which would be through the local marketing board or regional association, would simplify the process for the owner, would eliminate the dual responsibility for preparing management plans, by placing the responsibility for arranging plans with the regional organization, and would result in the regional organization becoming more involved as an advocate for the woodlot owner, particularly where assistance may be needed from different levels of government for a project. Three things are required to implement this recommendation:

- Agreement by DNRE and CFS to refer all clients to the regional organization to initiate any formal submission for assistance under the program

- Any promotion of the programs should refer interested parties to the regional organization's office

7.2 (Cont'd)

. Making the management planning activity a cost-shared responsibility, so that clients can access this activity independently of the type of project to be carried out (including the option of not doing anything).

RECOMMENDATION 4:

Centralize the project approval and payment function.

A centralization of the project approval and payment function would provide a consistent treatment for all clients in the province. It would also remove the regional organizations from the conflicting situation of deciding priorities, approving the work of contractors or landowners, and paying claims for the same work. It would permit the regional groups to be more supportive of their local woodlot owners, working on their behalf to get projects approved, rather than having to turn away clients for lack of funds. We submit that, along with this recommendation, should come a more formalized application procedure for owners to obtain assistance. This will require the owner to do some thinking and planning about his objectives before accessing help under the program.

The changes required to implement this procedure are the establishment of a central application review and approval procedure (all applications should first be reviewed by the regional organization), and a central claims-paying mechanism. This would allow for a consistent treatment of all woodlot owners in the province in the matter of their financial contribution to the project - all owners could be billed for their contributions, or sent a form acknowledging the value of their sweat-equity. Cheques to the landowner would come directly from CFS or DNRE.

7.2 (Cont'd)

At the regional level, the Silviculture Manager would be responsible for working with clients to help prepare applications, and lobbying on their behalf for the necessary assistance. The Silviculture Manager would also continue to oversee the work done on all projects in the region.

Co-ordination of the monitoring function would be simplified with this approach, since CFS would know the status of all projects and when payments are due.

This centralized approach could also be used to adjust for regional differences in take-up. If applications from one area are below budget, funds could be shifted to other regions. Conversely, if regional balance is an important objective, regional quotas could be established to ensure funds are distributed as planned.

RECOMMENDATION 5:

The private woodlot program should have its own promotional brochure with a common application form.

An example is the pamphlet produced by the Province of British Columbia. We have included a photocopy of the pamphlet in Appendix C.

In our interview process we found that many of the people did not know where the assistance was coming from, nor did they understand the programs. In fact, several woodlot owners did not even realize that there was more to the programs than the particular treatment they received. An informative pamphlet that explains the programs and assistance rates in laymen's terms would be extremely beneficial to the average woodlot owner.

7.2 (Cont'd)

In addition, a very simple application form such as the one used in British Columbia would help the woodlot owner analyze his objectives. It also gives the woodlot owner an opportunity to determine how much financial commitment he or she is willing to make in woodlot management. A single form would also help standardize data collection for Agreement purposes.

A common, standardized information base would improve the administration and evaluations of the programs and might help to improve the level of inter-agency communication.

RECOMMENDATION 6:

The Agreement should be administered to maximize opportunities for private sector involvement.

The Agreement has not resulted in as much private sector activity as had been anticipated.

The consultants recommend that this be addressed in the next agreement through the following actions, some of which are discussed as separate recommendations elsewhere in this chapter.

. Improve the rate structure. Part of the reason that marketing boards have been obliged to set up their own crews is that private contractors cannot undertake silviculture activities (particularily on small woodlots) at existing rates. (See Recommendation 11.)

7.2 (Cont'd)

. Consider tendering for blocks of work of a size adequate to be worth making investments in necessary machinery and training. Contractors are not willing to make the investments necessary unless there s some reasonable assurance that there will be enough work to recoup their investment. In areas which do not have a private sector base of sufficient size to serve the area, or where the contracting of work is not regularly done, marketing boards could put out work on a tendered basis, with enough acres of work in each tender package to provide an incentive for private contractors to bid.

. Carry out more extensive management planning at the individual woodlot level. The consultants have suggested that better management plans are needed at the woodlot level. Requiring that these plans be prepared by eligible professionals and giving the landowner freedom of choice in selecting a consultant to prepare the plan, will open up increased opportunities for private consultants. (See Recommendation 8.)

. Privatize marketing board silviculture crews. As the above actions are taken, there should not be a need for marketing board silviculture crews. Because of the expertise which has been built up by the crews, it would become a logical step to privatize the crews, letting them operate as private enterprises, rather than working under the direction of the boards.

. License a private operator to undertake spraying activities. Spraying has been a problem for regional organizations and individual landowners because no group is prepared to run the risk of lawsuits and the lack of

7.2 (Cont'd)

adequate insurance coverage. If the Federation's proposal is supported, a single private contractor will be chosen to carry out all spraying throughout the province. This will represent a very significant new opportunity for the private sector.

7.3 New Elements Needed

RECOMMENDATION 7:

A management plan should be required for every woodlot before any silvicultural work is undertaken.

The next Agreement should require a management plan as a prerequisite to receiving funding for silviculture work. At a minimum, in addition to current requirements, each management plan should contain:

- A clear, concise statement of the woodlot owner's objectives and constraints
- An inventory of the woodlot which would be a visual assessment of species composition and development stage
- A list of alternative management strategies for the woodlot
- A table that shows the estimated total cost, the amount of assistance provided, and the portion required from the woodlot owner for each management alternative under each of the three rate structures
- A statement which makes the woodlot owner aware of future financial commitments for follow-up treatments under each management alternative.

7.3 (Cont'd)

The management plan should be regarded as a contract between the woodlot owner and the government. The management plan should fully inform woodlot owners who are receiving assistance that they will have to spend money in the future for follow-up treatments. It should also commit government to continue to provide financial assistance for these follow-up treatments during the life of the Agreement.

The contract should also include penalties to cover the situation where woodlot owners do not carry out work as agreed, or when land is sold (unless the new owner agrees to implement the plan).

RECOMMENDATION 8:

More funding should be provided in the next Agreement for planning at the individual woodlot level.

The current budget for management plans is not adequate to support current demand. The previous recommendation, if followed, will create considerably more demand for this service and additional funding will be needed.

RECOMMENDATION 9:

Tree marking for unevenaged management should be considered for inclusion in the next Agreement.

Many woodlot owners do not like to clearcut their land. Because there is no evidence that unevenaged management produces less wood than evenaged management over the long run, we believe that unevenaged management may have a place in the private woodlot programs. A program of tree marking could be examined for inclusion in the Agreement.

7.4 Administrative Issues

RECOMMENDATION 10:

All woodlot owners should pay a proportion of the total treatment costs.

A financial commitment by an owner is an essential requirement. The centralized payment procedure will allow all clients to be billed in a standard way and to ensure that the financial contribution is collected, or that the value of the sweat-equity is made clear to the client.

An example of the client's contribution under different scenarios is shown in the next recommendation.

RECOMMENDATION 11:

A three tiered rate structure for silvicultural activities should be established.

Private contractors, marketing boards, and individual woodlot owners have different cost structures and the rates established for silviculture work should reflect the differences in overhead and profit. The rate structure should start with a base rate reflecting the operating costs for a private crew using experienced personnel, an overhead burden and a profit component. Marketing board crew rates would be a percentage of this basic rate, reduced by the profit component. The individual rate would be further reduced to eliminate the overhead component.

7.4 (Cont'd)

For example, if the basic rate for typical treatment was $1,000, and the profit component represents 15% of the total and overhead a further 15%, then the following rates would apply:

. Private contractor	$1,000.00
. Marketing board crew	870.00
. Individual	660.00

The owner would pay the first $150 of the cost when a private contractor or marketing board crew does the work for him. When he does the work himself, the owner would be required to pay nothing, but would accept the reduced rate as full payment for the work.

RECOMMENDATION 12:

A more objective system of establishing base rates should be implemented.

In order to have a system which is fair to all regions of the province, a standard approach to establishing rates should be developed. Historically, rates have been established based on experience, contractors' billings and discussions between CFS, DNRE and the marketing boards.

There is a need to have the rates based on objective criteria which will be agreed to by all the parties. The experimental project to determine the cost of PCT's through work sampling should be evaluated for its applicability to other treatments as well. Establishing standard rates can be a time-consuming exercise. Therefore, priorities should be set based on the frequency of treatment use and the contentiousness of the present treatment rate.

7.4 (Cont'd)

The objective will be to have a standard rate, with adjustment factors where necessary, to reflect differences in local conditions relating to slope, density, rockiness, etc.

It is important that the standards be developed using experienced crews, as the rates should be set to encourage the most efficient use of resources possible. If less experienced individuals opt to do their own work rather than hiring experienced crews, the Agreement should not be expected to bear the costs of this less efficient approach.

Standard rates should reflect realistic costs for:

- Labour, reflecting the level experience appropriate to the job
- Expenses for fuel and other expendables
- Overhead costs as a percentage of direct costs, reflecting:
  - Amortization of equipment
  - Office and administration
- Allowance for profit.

RECOMMENDATION 13:

A program should be developed to train foresters to prepare management plans for private woodlots.

Management plans should be written by professional foresters who have had special training in small woodlot management.

7.4 (Cont'd)

No training program exists in New Brunswick and would have to be developed. Training should be mandatory for any private consultant, FES or CFS staff, or foresters working for marketing boards if they will be preparing management plans.

These classes should teach the forester:

- How to talk to the landowner
- How to explain silviculture treatments to the woodlot owner
- How to pay particular attention to the woodlot owner's objectives and constraints
- What practical management alternatives exist given the woodlot owner's objectives and constraints and markets for wood products.

RECOMMENDATION 14:

A task force should be established to resolve the herbicide liability issue.

A task force made up of representatives from CFS, DNRE, and the marketing boards should work together to find an acceptable solution. Some of the issues which need to be addressed include:

- Locating and licensing appropriate contractors with adequate liability coverage
- Designing a model legal contract between owners and applicators which could be made available to each woodlot owner for his protection.

APPENDIX A

PEOPLE INTERVIEWED

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PEOPLE INTERVIEWED

Key Informants

Bill Anderson	Canadian Forestry Service
Jerry Bell	Department of Natural Resources
Janice Campbell	Canadian Forestry Service
Peter DeMarsh	NB Federation of Woodlot Owners
Peter Hughes	Provincial Coordinator
Robert MacLaggan	Department of Natural Resources
Gordon McLeod	Department of Natural Resources
Rolf Moeller	Department of Natural Resources
Chris Pitt	Canadian Forestry Service
Pete Hamilton	New Brunswick Independent Silviculturalists Association

CFS Woodlot Officers

Melvyn Estey
Neil Morehouse
Jacques Gagnon
Bernard Daigle
Réjean Talbot
Derek MacFarlane
Dale Morton
Dean Toole

Carleton-Victoria Wood Producers Association Inc.

Ken Vasiliauskas	Manager
Marc Blanchard	Acting Silvicultural Manager
Pat Lagerlof	Forest Technician

Madawaska Forest Products Marketing Board

Claude Pelletier	Manager
Rodrique Bellefleur	Silvicultural Manager
Armand Caron	President
Peter Clair	Executive Director
Roland Roy	Forester

North Shore Forestry Syndicate

Georges Lajoie	Manager
Jean-Guy LeClair	Silvicultural Manager

Northumberland County Forest Products Marketing Board

Ruby Dunn	Manager
Ken English	Silviculture Manager
Peter Mullin	President
Ralph Taylor	Committee Member
Blair McCarthy	Committee Member

S E N B Forest Products Marketing Board

Gerald Dupuis	Manager
Marcel Maillet	Silvicultural Manager

Southern New Brunswick Wood Co-Op Ltd.

John Levy	Manager
Brian Belyea	Silvicultural Manager
Harley Tingley	President

York-Sunbury-Charlotte Forest Products Marketing Board

Julie Singleton	Silvicultural Manager
Anne Lepack	Forest Technician

APPENDIX B

RESULTS OF THE SURVEY OF PRIVATE WOODLOT OWNERS

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RESULTS OF THE SURVEY OF PRIVATE WOODLOT OWNERS

Sampling Procedure

Private woodlot owners who had participated in the woodlot development programs (Programs 1.2 and 5) over the past four years were contacted. Five names from each Marketing Board region (six in Madawaska) were randomly selected (from the files of payment authorization forms) and interviewed on the telephone. In most cases, three participated under Project 1.2.1 and 1.2.2 and two under Projects 5.3 and 5.4. A total of 36 owners were surveyed.

Woodlot Owner Survey

Woodlot owners were asked a total of 23 questions that dealt with their participation and satisfaction with the woodlot programs in New Brunswick.

1. How many projects for your private woodlot have you received funding for in the past four years?

2. How did you find out about the programs for private woodlots?

3. What was the main factor which led you to undertake the project?

4. Had you ever done any silvicultural work to your woodlot when you did not receive assistance?

5. Do you remember the name of the program or agency that provided you with the funding for your project? If yes, can you tell me the name?

6. How did the Marketing Board assist you with the project?

7. Do you have regular contact with the Marketing Board in your area?

8. Was a management plan prepared for your woodlot? If so, who prepared it?

9. Do you find this plan helpful? Why or why not?

10. Do you feel that the forester working on your management plan spent enough time with you to understand your objectives and constraints?

11. How satisfied are you with the technical advice that you received?

12. Where do you obtain most of your information for the management and production of your private woodlot?

13. Who did the work on your woodlot?

14. Were you satisfied with the way the work was completed on your property?

15. Do you know what percentage of the total costs you were required to pay? If yes, what percent? If no, why don't you know?

16. How satisfied are you with the amount of financial assistance that you received?

17. Were you able to obtain funding for all the activities you wanted? If not what other activities did you want to receive funding for?

18. Do you think that you would have undertaken this project if assistance had not been available?

19. Do you think that you would participate in a similar program if you were required to keep the woodlot in forest production for a specified period of say, fifteen years?

20. Do you think that you would participate in a similar program if you were required to pay 20% of the total cost of a project? How about 25%?

21. What is the total size of your woodlot?

22. Did you earn any income from your woodlot over the past four years? What percent of your total income would that be?

23. How old are you?

Results of the Survey

	Carleton - Victoria (CV)	Madawaska (MAD)	Northumber - land (NOR)	North Shore (NSFS)	Southeastern New Brunswick (SENB)	Southern New Brunswick (SNB)	York - Sunbury - Charlotte (YSC)	TOTAL
Participated under Project 1.2	3	5	3	3	4	3	3	24
Participated under Project 5.3	2	1	2		1	2	2	10
Participated under Project 5.4				2				2

	CV	MAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
Subsidy less than $250	2		1				1	4
Subsidy between $250 and $500	1	-	1	1		1	1	5
Subsidy between $500 and $750	1	2	1	1	1	1	2	9
Subsidy between $750 and $1000		1			1	1		3
Subsidy between $1000 and $2000		1		1	1	1	1	5
Subsidy between $2000 and $3000	1	1	1		1	1	1	6
Subsidy between $3000 and $4000					1			1
Subsidy between $4000 and $5000		1	1					2
Subsidy greater than $5000			1	2				3

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Question 1.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
1 project	1	3	1	3	2	1	2	13
2 projects	1	1	2	2		3	1	10
3 projects	1		2		2		1	6
4 projects	2	1				1	1	5
5 or more projects		1			1			2

Question 2.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
marketing board	3		3	1	3	3	1	14
friend/neighbour	1	2		1	2	1	4	11
CFS		1						1
DNRE	1	2	2	2		1		8
other		1		1				2

Question 3.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
availability of assistance		1	1		1	1	1	5
better return on woodlot	2	3	2	5	3	2	4	21
advice of forester		1	1					2
land ethic/aesthetics	1		1	1	1	1		6
other	2							2

Question 4.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
had done previous silviculture work	3	1	5	2	2	4	1	18
had not done previous silviculture work	2	5		3	3	1	4	18

Question 5.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
did not remember		4	2	2	1		1	10
Forest Renewal Agreement	2					1		3
Marketing Board/Woodlot Owner Association	2	1	3		3	3	2	12
DNRE	1	1	2	3	1	1	2	11
CFS								0

Question 6.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
none	2	3	3	2	3	2	1	16
gave technical advice	2	1	2	2	1	3	2	13
provided funding		1			1			2
planned work	2							2
referred to DNRE for other programs							1	1
prepared application		1		1				2
inspection of work				1			1	2

Question 7.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
regular contact with marketing board	2	4	2	2	5	3	4	22
no regular contact with marketing board	3	2	3	3		2	1	14

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Question 8.	CV	NAD	NOR	NSFS	SERB	SRB	YSC	TOTAL
management plan	3	1	2	3	3	2		14
no management plan	2	5	3	2	2	3	5	22
plan prepared by:								
marketing board	2				3	1		6
forester	1	1	2	1		1		6
self				1				1
other				1				1

Question 9.	CV	NAD	NOR	NSFS	SERB	SRB	YSC	TOTAL
plan helpful	1			1	2	2		6
plan not helpful					1			1
indifferent	2	1	2	2				7

Question 10.	CV	NAD	NOR	NSFS	SERB	SRB	YSC	TOTAL
person understood land owner's objectives	2			2	2	2		8
person did not understand land owner's objectives	1	1	2	1	1			6

Question 11.	CV	NAD	NOR	NSFS	SERB	SRB	YSC	TOTAL
satisfied with technical advice	5	5	4	3	3	5	5	30
not satisfied with technical advice		1	1	2	2			6

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Question 12.	CV	NAD	NOR	NSFS	SEMI	SNB	YSC	TOTAL
friends/neighbours		1	1	1	1	1		5
family								0
self	1	1	1		2	1	1	7
marketing board personnel	3	2			1	3	3	12
DNRE personnel	1	1	3	3	1		1	10
CFS personnel		1						1
other				1				1

Question 13.	CV	NAD	NOR	NSFS	SEMI	SNB	YSC	TOTAL
contractor	4	2	2		3		1	12
self/family		3	1	5	2	4	3	18
marketing board crew	1		2			1	1	5
other		1						1

Question 14.	CV	NAD	NOR	NSFS	SEMI	SNB	YSC	TOTAL
satisfied with work	4	5	4	4	4	5	5	31
not satisfied with work	1	1	1	1	1			5

Question 15.	CV	NAD	NOR	NSFS	SEMI	SNB	YSC	TOTAL
depends on how you value owner's time				1		2		3
don't remember	3	1	2	1				7
0%		2		1	2		2	7
1-5%		1	1				1	3
5-10%	2			1			1	4
10-25%		1		2	1			4
25-50%		1	1		2	2	1	7
over 50%					1			1

Question 16.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
satisfied with financial assistance	5	6	5	5	4	5	4	34
not satisfied with financial assistance					1		1	2

Question 17.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
able to obtain funding for all desired activities	5	6	3	2	2	5	3	26
thinning hardwood					1		1	2
thinning softwood				1	1			2
roading access			1					1
sugar bush infrastructure				1				1
boundary marking			1				1	2

Question 18.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
yes	2	3	1	4	2	3		15
maybe			1	1	1			3
no	3	3	3		2	2	5	18

Question 19.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
yes	3	3	3	4	2	2	1	18
maybe					1	1	1	3
no	2	3	2	1	2	2	3	15

Question 20.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
20% yes	5	6	1	5	4	3	3	26
20% maybe		1	2			1		4
20% no			2		1	1	2	6
25% yes	5	5	1	3	4	2	3	23
25% maybe		1	2	1		2		6
25% no			2	1	1	1	2	7

Question 21.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
1 - 50 acres			3	2		1	1	7
50 - 100 acres		1		1	2	1	1	6
100 - 250 acres	3	3	1	2			1	10
250 - 500 acres	1	2			1	1		5
500 - 1000 acres			1		2	1		4
over 1000 acres	1					1	2	4

Question 22.	CV	NAD	NOR	NSFS	SENB	SNB	YSC	TOTAL
declined					1			1
0%	2	4	3	2		2	2	15
1 - 5%	2		1	1	3	1		8
5 - 10 %						1		1
10 - 20 %							1	1
20 - 30 %		1			1			2
30 - 40 %				1				1
40 - 50 %							1	1
50 - 75 %	1							1
over 75 %		1	1	1		1	1	5

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Question 23.	CV	MAD	MOR	MSFS	SENB	SNB	YSC	TOTAL
declined							1	1
20 - 29 years old		2					1	3
30 - 39 years old	1	2	1	2	1	1	2	10
40 - 49 years old		2	1	2	3		1	9
50 - 59 years old			1	1	1		1	4
60 - 69 years old						3		3
over 70 years old	3		2			1		6

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